

LIA Cattle Tracking Requirements DRAFT 1.0

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The LIA Cattle Tracking Requirements 1.0 replaces the Live animal traceability criteria included in the LIA D Deforestation/Conversion Free (DCF) Protocol 0.1 and LIA Animal Welfare Standards Benchmark 0.1 and is effective as of MMMM DD, YYYY.

English is the official language of the *LIA Cattle Tracking Requirements 1.0*. In any case of inconsistency between versions, reference shall be made to the English version.

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Document Revision

The *LIA Cattle Tracking Requirements 1.0* will undergo a revision process at least every five years. The next revision is tentatively scheduled to begin in 2027, for completion in 2028. Please note that Textile Exchange may decide to revise earlier at our discretion. You may submit feedback to Textile Exchange at any time; send to <u>LIA@TextileExchange.org</u>. Points of clarification may be incorporated into supplementary and guidance documents prior to 2025. More substantive feedback or suggested changes will be collected and reviewed as part of the next revision of the document.

Revision History

LIA Cattle Tracking Requirements was previously included in the LIA Deforestation/Conversion Free (DCF) Protocol 0.1 and LIA Animal Welfare Standards Benchmark 0.1 as Live animal traceability criteria, released 2021.01.05





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Introduction

About the LIA Cattle Tracking Requirements

The purpose of the *LIA Cattle Tracking Requirements 1.0* is to build capacity in the system that will enable slaughterhouses to meet Deforestation and Conversion-Free (DCF) supply chain requirements. This will be achieved through developing the supply of farms that can track their cattle one step forward and one step back.

About the Leather Impact Accelerator (LIA)

LIA is a framework that sets existing industry tools into a coherent package and enables leather supply chain members – from farmers to retailers – to contribute to a more responsible leather supply chain. LIA uses benchmarks and protocols to set a minimum threshold for practices at the farm and leather production levels and gives recognition to those who meet or exceed them. Brands can use Impact Incentives to provide direct financial support to producers that meet LIA requirements or are working towards meeting them through an Impact Partnership.

About Textile Exchange

LIA is owned and managed by Textile Exchange. Textile Exchange is a global non-profit driving positive impact on climate change across the fashion and textile industry. It guides a growing community of brands, manufacturers, and farmers towards more purposeful production from the very start of the supply chain.

Its goal is to help the industry to achieve a 45% reduction in the emissions that come from producing fibers and raw materials by 2030. To get there, it is keeping its focus holistic and interconnected, accelerating the adoption of practices that improve the state of our water, soil health, and biodiversity too.

For real change to happen, everyone needs a clear path to positive impact. That's why Textile Exchange believes that approachable, step-by-step instruction paired with collective action can change the system to make preferred materials and fibers an accessible default, mobilizing leaders through attainable strategies, proven solutions and a driven community.

At Textile Exchange, materials matter. To learn more, visit <u>TextileExchange.org</u>.

About Climate +

At Textile Exchange, our goal is to help the fashion and textile industry achieve a 45% reduction in the greenhouse gas (GHG) emissions that come from producing fibers and raw materials by 2030. This is known as Tier 4 of the supply chain, and it accounts for 24% of the industry's GHG impacts related to it.

This goal underpins our Climate+ strategy. We call it Climate+, because it goes beyond accounting for GHG emissions. Instead, it is an interconnected approach that swaps siloed solutions for interdependent impact areas like soil health, water, and biodiversity.

The + is also an acknowledgment that Textile Exchange cannot achieve this goal alone.

The Leather Impact Accelerator contributes directly to the Climate + goal by addressing:





- Deforestation and conversion at the farming tiers of the bovine leather supply chain, which contribute to GHG emissions, impact soil health, water, biodiversity and people.
- Animal welfare at the farming and slaughter tiers of the bovine leather supply chain

Impact Incentives and Impact Partnerships

Impact Incentives are certificates that are traded in support of a sustainability claim. The Impact Incentives are issued to a producer when a set of criteria have been verified to have been met. Physical goods and the Impact Incentives are traded separately from one another; the Impact Incentives represent a verified quantity of material that has been produced but has not been physically traded.

The way that LIA Impact Incentives work is quite simple: farms that are certified to a standard or program that meets the LIA Animal Welfare Standards Benchmark and/or are verified as Deforestation and Conversion-Free (DCF), will be able to sell Impact Incentives for their volume of output; brands can then purchase these Impact Incentives to address their use of leather, or to meet their CSR goals.

An Impact Partnership is a collaboration between brands, on-the-ground organizations (Program Partner), and producers. Through LIA Impact Partnerships, brands provide financial support to Program Partners to help producers to achieve Animal Welfare certification. If an Impact Partnership includes the DCF scope, all farms need to meet the DCF requirements in order to participate.

LIA Impact Incentives and Impact Partnerships can be applied to all sizes and stages of farms, from cow-calf operations to direct and/or full-cycle farms.

Verification

LIA requires an authorized third-party verifier to confirm that all requirements are met before the Impact Incentives or Impact Partnership Incentives can be registered. Verification requirements are addressed in the LIA Verification Procedures and Checklist.

How to Use this Document

This document sets forth the overall criteria for assessment against the LIA tracking requirements.

The following terms are used to indicate requirements, recommendations, permissions, and possibilities or capabilities:

- "shall" indicates a requirement
- "should" indicates a recommendation (non-binding),
- "may" indicates a permission (non-binding), and
- "can" indicates a possibility or a capability.

The abbreviation "e.g." is used to indicate an example, while the abbreviation "i.e." is used to provide clarification of meaning.









Section A – Cattle Tracking Requirements

LIA requirements include the basic tracking of animals by recording purchases and sales. This will contribute to building up the capacity for farm-to-farm traceability which eventually will enable sourcing of deforestation-free cattle and hides.

A1.1 To meet the LIA requirements, farms must be working with a tracking system to record where their cattle are coming from and where they are sold to. Any individual or batch-level system that reliably keeps a record of purchases and sales is acceptable.





Appendix A – Definitions

Conversion: Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.

- Deforestation is one form of conversion (conversion of natural forests).
- Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure, or function.
- Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal. (Source: <u>AFi</u>)

Deforestation: Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

- This definition pertains to no-deforestation supply chain commitments, which generally focus on preventing the conversion of natural forests.
- Severe degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use.
- Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.
- The Accountability Framework's definition of deforestation signifies "gross deforestation" of natural forest where "gross" is used in the sense of "total; aggregate; without deduction for reforestation or other offset." (Source: <u>AFi</u>)

No-conversion (synonym: conversion-free): Commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems (as defined by the Accountability Framework).

- No-conversion refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
- The terms "no-conversion" and "conversion-free" are used in favour of "zero-conversion" because "zero" can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for minimal level [of deforestation or conversion]). (Source: <u>AFi</u>)

No-deforestation (synonym: deforestation-free): Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation (as defined by the Accountability Framework).

- No-deforestation refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
- In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation).
- The AFi recognises the High Carbon Stock Approach (HCSA) as a practical tool to implement nodeforestation in the tropics, in contexts where the tool has been validated.¹

¹ For more information on the present application of this tool—including the contexts in which it is being applied, trialed, and prepared for trailing—see the HCSA application and trials dashboard (http://highcarbonstock.org/ further-resources/hcsa-application-and-trials-dashboard) and the 2018 advice note on application in different contexts (http://highcarbonstock.org/wp-content/uploads/2018/10/AdviceNote18-1-EC-Membership-GlobalRequirements-070918.pdf).





• The terms "no-deforestation" and "deforestation-free" are used in favour of "zero deforestation" because "zero" can imply an absolutist approach that may be at odds with the need sometimes to accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for minimal level [of deforestation or conversion]). (Source: <u>AFi</u>)

Producer: The owner or manager of a farm, estate, plantation, or ranch used to produce agricultural products, or of a forest that is managed at least in part for the harvest of forest products. This includes smallholders, producer groups, and production systems owned or managed by communities. (Source: AFi)





Appendix B – References

The following references were used in the development of *LIA Cattle Tracking Requirements V1.0*:

- ISEAL Code of Good Practices
- Accountability Framework Initiative